

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:944

ANSWERED ON:21.07.2017

Irregularities in CSR

Dwivedi Shri Harish;Nishank Dr. Ramesh Pokhriyal

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether directions for Corporate Social Responsibility (CSR) being carried out by various industrial establishments are issued regularly by the Government and if so, the details thereof;
- (b) whether any competent monitoring system for the better utilisation of funds been set up by the companies and if so, the details thereof;
- (c) whether any mechanism have been involved to deal with the irregularities and corruption in utilisation of CSR funds and if so, the details thereof; and
- (d) whether all the public sector companies are under the purview of the same and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)
???????? ???? ????????? ???? ???? ????
(???? ????? ???? ??????)

(a) to (d): Section 135 of the Companies Act, 2013 ('The Act') requires every company, including public sector companies, above the specified threshold to spend at least two per cent of the average net profits earned during three immediately preceding financial years on Corporate Social Responsibility (CSR). As per Section 135 (3) & (4) of the Companies Act, 2013, the Board of the company, and its CSR Committee, is empowered to select programmes / projects / activities to be undertaken, allocation and utilization of CSR fund towards various development activities etc. and monitor the same. The CSR Committee should have an Independent Director, wherever the company is statutorily required to appoint one. Further, the mechanism of disclosures of the CSR expenditure and the audit of the financial statements is adequate to check irregularities.
